PET 6 LIBYA

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EXCISE

Department of State

TELEGRAM

246

CONFIDENTIAL 683

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/7181
PORTIONS DENIED AS INDICATED

PAGE 01 TRIPOL 01009 151347Z

51
ACTION AF-18

INFO OCT-01 EUR-20 E-15 COM-08 INT-06 GSA-01 OEP-01 NEA-13
IO-13 UCF-05 CIAE-00 DODE-00 PM-05 H-02 INR-07 L-04
NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-20 USIA-12
YRSY-11 STR-08 RSR-01 /186 W

088833

R 151310Z MAY 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6271
INFO AMEMBASSY LONDON

C O N F I D E N T I A L TRIPOLI 1009

TRIPOLI 1009, 5-1570

1. [redacted] THREE FOREIGN PETROLEUM MARKETING COMPANIES IN LIBYA (ESSO, SHELL AND AGIP) CALLED IN BY MINPET MABRUUK LAST WEEK AND REQUESTED TO MAINTAIN SIX MONTH STOCK OF OIL PRODUCTS IN LIBYA. [redacted] MABRUUK EXPLAINED LARG CONSIDERED RESERVE SUPPLY OF PRODUCTS NECESSARY BECAUSE OF "SECURITY SITUATION IN MIDDLE EAST." B4

2. [redacted] THREE MANAGERS ARGUED THAT COST OF ADDITIONAL STORAGE AND INVENTORY PROHIBITIVE, PRODUCTS WOULD DETERIORATE IF LEFT IN RESERVE AS MINISTER PROPOSED, AND CAPACITY ALREADY EXISTS FOR STORAGE OF ABOUT FIVE MONTHS PRODUCT SUPPLY -- IN ADDITION TO REFINING CAPACITY AT MARSA BREGA ADEQUATE TO MEET ABOUT ONE-HALF OF LIBYA'S NORMAL PRODUCT DEMAND. COMPANIES PLAN TO REPLY FORMALLY TO MABRUUK ALONG THESE LINES. B4

3. [redacted] MABRUUK'S CONCERN ABOUT CONTINUITY AND SECURITY OF PRODUCT SUPPLY SEEMED GENUINE. HOWEVER, MABRUUK APPARENTLY HAD FAILED TO CONSIDER VULNERABILITY OF LARG PRODUCT STORAGE AREAS. B4

4. COMMENT. EMBASSY HAS NO INFORMATION TO SUGGEST WHY LARG WOULD BE CONCERNED AT THIS TIME ABOUT POSSIBLE INTERDICTION OF POL SUPPLIES BY HOSTILE ACTION. REPORTS OF UK-LIBYAN DISCUSSIONS ON MILITARY RELATIONSHIPS HAVE REVEALED, HOWEVER, THAT LIBYANS HAVE

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PAGE 02 TRIPOL 01009 151347Z

REAL FEAR (HOWEVER IRRATIONAL) OF ISRAELI AERIAL OR NAVAL ATTACKS ON LIBYAN TERRITORY.

5. LARG REQUEST MAY BE PRECAUTIONARY MOVE TO BUILD UP POL STOCKS IN EVENT IT SHOULD MOVE AGAINST THESE COMPANIES IN CONTEXT OF POSTED PRICE NEGOTIATIONS. GP-4.
PALMER

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